

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: January 29, 2003

FROM: Tawana Y. James
Regional Director

SUBJ: First Atlantic Federal Credit Union
Application to Convert from
Multi-Group to Community Charter

ACTION REQUESTED: Approve application for conversion to community charter for First Atlantic Federal Credit Union of West Long Branch, New Jersey, under Section 109 of the Federal Credit Union Act, and Interpretive Ruling and Policy Statement (IRPS) 99-1 as amended by IRPS 00-1 and IRPS 01-1.

DATE ACTION REQUESTED: February 20, 2003

OTHER OFFICES CONSULTED: General Counsel and Examination and Insurance

VIEWS OF OTHER OFFICES CONSULTED: Not applicable; requested action does not involve a proposed regulation relating to agency programs and operations.

BUDGET IMPACT, IF ANY: None

RESPONSIBLE STAFF MEMBERS: Regional Director Tawana Y. James, Associate Regional Director for Operations J. Owen Cole, and Director of Insurance Antoinette St. Clair.

SUMMARY: First Atlantic FCU (FAFCU), assets \$237,913,777, was chartered in 1935, and serves a multiple group field of membership. Currently, it serves 31,154 members and estimated its potential at 132,409 members, for a penetration ratio of 23.5 percent.

FAFCU proposes to convert to a community charter to serve persons who live, work, worship, or go to school in, and businesses and other legal entities in Monmouth or Ocean County, New Jersey. These two counties form the Monmouth-Ocean Primary Metropolitan Statistical Area (PMSA), also known as the Shore Region of New Jersey. The population is 1,126,217 as of 2000.

The community is comprised of recognized political jurisdictions with well-defined geographic boundaries, and a major trade corridor (Garden State Parkway) that provides access to shopping, transportation, education, employment, health care, recreation, cultural facilities, community events, and organizations. Numerous exhibits included in the application package provide independent evidence the area to be served by FAFCU is one well-defined community where residents have common interests or interact.

Our analysis shows the applicant has met all the requirements to convert to a community charter, including the Special Documentation Requirements to establish the community common bond based on a well-defined, local community with fixed geographic boundaries where residents have common interests or interact.

FAFCU has prepared a sound business plan, including a detailed marketing plan and realistic financial projections, and has the facilities, staff, and other infrastructure needed to offer its services to the entire community.

There are no newly chartered credit unions in the area; therefore, no exclusion clauses are recommended.

RECOMMENDED ACTION: Approve the application for conversion to community charter for First Atlantic Federal Credit Union.

Regional Director Tawana Y. James